



State of New Jersey  
CASINO CONTROL COMMISSION  
TENNESSEE AVENUE AND BOARDWALK  
ATLANTIC CITY NJ 08401

JAMES E. MCGREEVEY  
Governor

LINDA M. KASSEKERT  
Chair

WILLIAM T. SOMMELING  
Vice Chair

MICHAEL A. FEDORKO  
MICHAEL C. EPPS  
RALPH G. FRULIO  
Commissioners

(609) 441-3422

August 18, 2004

Dear Subscriber:

Enclosed is the New Jersey Casino Industry Quarterly Financial Reports for the first quarter ending June 30, 2004.

If you have any questions, please contact me at (609) 441-3799. You can also contact us by e-mail at [dheneghan@ccc.state.nj.us](mailto:dheneghan@ccc.state.nj.us). If you have any questions about your subscription, please contact Josephine Nanfara Steindl at (609) 441-3211 or by e-mail at [jsteindl@ccc.state.nj.us](mailto:jsteindl@ccc.state.nj.us).

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel J. Heneghan".

Daniel J. Heneghan  
Public Information Officer

/jmns/qrtcvrltr.doc/

Enclosures

**ATLANTIC CITY CASINO INDUSTRY  
STATEMENT OF INCOME STATISTICS  
FOR THE QUARTER ENDED JUNE 30, 2004 AND 2003**  
(\$ in Thousands)

	<u>Net Revenue</u>		Fav (Unfav) Var %	<u>Gross Operating Profit</u>		Fav (Unfav) Var %	<u>Net Income</u>		Fav (Unfav) Var %
	<u>2004</u>	<u>2003</u>		<u>2004</u>	<u>2003</u>		<u>2004</u>	<u>2003</u>	
AC Hilton	\$ 71,338	\$ 78,331	(8.9)	\$ 15,299	\$ 19,930	(23.2)	\$ 2,036	\$ 4,568	(55.4)
Bally's AC	163,114	177,442	(8.1)	47,067	55,396	(15.0)	11,840	19,725	(40.0)
Borgata	164,941	-	N/A	54,195	-	N/A	24,457	-	N/A
Caesars	122,308	134,077	(8.8)	38,441	48,921	(21.4)	6,738	12,659	(46.8)
Harrah's	103,843	112,152	(7.4)	41,804	49,212	(15.1)	13,309	23,150	(42.5)
Resorts	57,528	58,228	(1.2)	6,841	10,625	(35.6)	(429)	1,641	N/A
Sands	45,337	46,030	(1.5)	5,787	6,423	(9.9)	(2,505)	(579)	N/A
Showboat	88,849	92,373	(3.8)	33,805	32,784	3.1	3,451	6,310	(45.3)
Tropicana	94,393	106,227	(11.1)	21,820	32,261	(32.4)	(10,030)	(594)	N/A
Trump Marina	62,272	68,210	(8.7)	13,767	17,021	(19.1)	(4,552)	(1,605)	N/A
Trump Plaza	73,370	78,757	(6.8)	15,542	20,517	(24.2)	(3,978)	(927)	N/A
Trump Taj Mahal	120,403	127,943	(5.9)	32,325	35,906	(10.0)	(7,673)	(3,662)	N/A
Industry	<u>\$ 1,167,696</u>	<u>\$ 1,079,770</u>	8.1	<u>\$ 326,693</u>	<u>\$ 328,996</u>	(0.7)	<u>\$ 32,664</u>	<u>\$ 60,686</u>	(46.2)

**ATLANTIC CITY CASINO INDUSTRY  
STATEMENT OF INCOME STATISTICS  
FOR THE SIX MONTHS ENDED JUNE 30, 2004 AND 2003**  
(\$ in Thousands)

	Net Revenue		Fav (Unfav) Var %	Gross Operating Profit		Fav (Unfav) Var %	Net Income		Fav (Unfav) Var %
	2004	2003		2004	2003		2004	2003	
AC Hilton	\$ 139,005	\$ 147,432	(5.7)	\$ 26,012	\$ 32,933	(21.0)	\$ 1,425	\$ 5,111	(72.1)
Bally's AC	317,609	333,861	(4.9)	84,301	92,869	(9.2)	16,654	25,384	(34.4)
Borgata	310,830	-	N/A	96,089	-	N/A	37,823	-	N/A
Caesars	241,204	251,910	(4.2)	75,283	86,689	(13.2)	12,724	19,223	(33.8)
Harrah's	203,514	213,732	(4.8)	80,723	90,619	(10.9)	24,031	38,265	(37.2)
Resorts	108,333	110,143	(1.6)	12,083	15,795	(23.5)	(2,068)	(441)	N/A
Sands	86,786	85,831	1.1	10,661	8,756	21.8	(5,648)	(5,043)	(12.0)
Showboat	169,644	167,871	1.1	61,765	54,004	14.4	3,367	(581)	N/A
Tropicana	185,715	204,582	(9.2)	43,193	59,302	(27.2)	(7,606)	(369)	N/A
Trump Marina	120,501	126,733	(4.9)	24,464	26,248	(6.8)	(11,594)	(9,527)	(21.7)
Trump Plaza	138,958	148,723	(6.6)	27,559	34,654	(20.5)	(13,782)	(7,976)	(72.8)
Trump Taj Mahal	233,130	246,478	(5.4)	59,046	64,751	(8.8)	(20,779)	(12,718)	(63.4)
Industry	<u>\$ 2,255,229</u>	<u>\$ 2,037,296</u>	10.7	<u>\$ 601,179</u>	<u>\$ 566,620</u>	6.1	<u>\$ 34,547</u>	<u>\$ 51,328</u>	(32.7)

**ATLANTIC CITY CASINO INDUSTRY  
STATEMENT OF INCOME STATISTICS  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2004 AND 2003**  
(\$ in Thousands)

	<u>Net Revenue</u>		Fav (Unfav) Var %	<u>Gross Operating Profit</u>		Fav (Unfav) Var %	<u>Net Income</u>		Fav (Unfav) Var %
	<u>2004</u>	<u>2003</u>		<u>2004</u>	<u>2003</u>		<u>2004</u>	<u>2003</u>	
AC Hilton	\$ 287,326	\$ 295,077	(2.6)	\$ 56,776	\$ 66,201	(14.2)	\$ 5,402	\$ 10,087	(46.4)
Bally's AC	650,595	677,125	(3.9)	170,419	189,421	(10.0)	34,641	52,517	(34.0)
Borgata	602,333	-	N/A	163,829	-	N/A	50,729	-	N/A
Caesars	495,095	514,269	(3.7)	153,136	174,295	(12.1)	26,827	38,961	(31.1)
Harrah's	420,118	448,300	(6.3)	169,433	191,579	(11.6)	58,899	78,603	(25.1)
Resorts	211,854	226,126	(6.3)	24,871	33,620	(26.0)	(2,883)	(307)	N/A
Sands	171,213	176,479	(3.0)	14,675	14,863	(1.3)	(18,361)	(13,659)	(34.4)
Showboat	346,534	341,831	1.4	123,014	112,515	9.3	9,712	173	N/A
Tropicana	375,399	420,331	(10.7)	89,662	119,965	(25.3)	(9,618)	504	N/A
Trump Marina	244,199	265,280	(7.9)	50,541	60,351	(16.3)	(21,842)	(26,570)	17.8
Trump Plaza	281,621	309,730	(9.1)	57,859	76,088	(24.0)	(31,221)	(11,310)	N/A
Trump Taj Mahal	473,945	509,043	(6.9)	120,573	142,950	(15.7)	(36,063)	(12,845)	N/A
Industry	<u>\$ 4,560,232</u>	<u>\$ 4,183,591</u>	9.0	<u>\$ 1,194,788</u>	<u>\$ 1,181,848</u>	1.1	<u>\$ 66,222</u>	<u>\$ 116,154</u>	(43.0)

**ATLANTIC CITY CASINO INDUSTRY  
STATEMENTS OF INCOME  
FOR THE QUARTER ENDED JUNE 30, 2004  
(\$ in Thousands)**

	AC Hilton	Bally's AC	Borgata	Caesars	Harrah's	Resorts	Sands	Showboat	Tropicana	Trump Marina	Trump Plaza	Trump Taj Mahal	Industry
<b>REVENUE:</b>													
Casino	\$ 73,397	\$ 164,149	\$ 149,965	\$ 123,577	\$ 110,247	\$ 62,492	\$ 50,061	\$ 96,267	\$ 88,651	\$ 65,160	\$ 80,045	\$ 124,962	\$ 1,188,973
Rooms	6,019	13,212	29,806	9,146	12,213	3,775	2,777	9,939	12,284	4,724	6,296	8,365	118,556
Food and Beverage	9,861	22,888	20,662	15,442	12,901	5,972	5,797	11,736	12,114	8,197	9,987	14,189	149,746
Other	3,279	5,393	6,094	4,967	1,574	2,792	1,022	1,057	3,509	3,163	2,634	4,410	39,894
Total Revenue	92,556	205,642	206,527	153,132	136,935	75,031	59,657	118,999	116,558	81,244	98,962	151,926	1,497,169
Less: Promotional Allowances	21,218	42,528	41,586	30,824	33,092	17,503	14,320	30,150	22,165	18,972	25,592	31,523	329,473
<b>NET REVENUE</b>	<b>71,338</b>	<b>163,114</b>	<b>164,941</b>	<b>122,308</b>	<b>103,843</b>	<b>57,528</b>	<b>45,337</b>	<b>88,849</b>	<b>94,393</b>	<b>62,272</b>	<b>73,370</b>	<b>120,403</b>	<b>1,167,696</b>
<b>COSTS AND EXPENSES:</b>													
Cost of Goods and Services	45,845	98,949	90,810	65,981	52,387	39,174	29,764	48,271	58,228	38,140	42,823	70,702	681,074
Selling, General, and Administrative	10,243	16,998	20,781	16,933	9,647	11,515	9,585	6,780	14,175	10,083	14,667	16,787	158,194
Provision for Doubtful Accounts	(49)	100	(845)	953	5	(2)	201	(7)	170	282	338	589	1,735
Total Costs & Expenses	56,039	116,047	110,746	83,867	62,039	50,687	39,550	55,044	72,573	48,505	57,828	88,078	841,003
<b>GROSS OPERATING PROFIT</b>	<b>15,299</b>	<b>47,067</b>	<b>54,195</b>	<b>38,441</b>	<b>41,804</b>	<b>6,841</b>	<b>5,787</b>	<b>33,805</b>	<b>21,820</b>	<b>13,767</b>	<b>15,542</b>	<b>32,325</b>	<b>326,693</b>
Depreciation and Amortization	4,374	11,352	14,254	8,768	8,401	3,553	3,798	8,316	7,711	5,518	5,231	12,065	93,341
Charges from Affiliates Other than Interest:													
Management Fees	2,412	5,479	-	4,041	-	-	-	-	7,500	-	-	-	19,432
Other	-	-	-	1,621	2,979	-	-	4,348	-	932	1,463	1,647	12,990
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>8,513</b>	<b>30,236</b>	<b>39,941</b>	<b>24,011</b>	<b>30,424</b>	<b>3,288</b>	<b>1,989</b>	<b>21,141</b>	<b>6,609</b>	<b>7,317</b>	<b>8,848</b>	<b>18,613</b>	<b>200,930</b>
<b>OTHER INCOME (EXPENSES):</b>													
Interest (Expense) - Affiliates	(4,485)	(12,419)	-	(10,853)	(13,000)	(3,164)	(2,954)	(14,445)	(13,410)	(11,246)	(13,510)	(24,477)	(123,963)
Interest (Expense) - External	-	(61)	(9,665)	(120)	-	(116)	(52)	-	3,389	(304)	(726)	(659)	(8,314)
Invest. Alt. Tax & Related Income (Exp.)-Net	(358)	(31)	(1,917)	(779)	(828)	(954)	(219)	(556)	(268)	(274)	(388)	(529)	(7,101)
Nonoperating Income (Expense) - Net	109	2,242	565	100	87	928	(1,010)	166	1,543	42	2,232	13	7,017
Total Other Income (Expenses)	(4,734)	(10,269)	(11,017)	(11,652)	(13,741)	(3,306)	(4,235)	(14,835)	(8,746)	(11,782)	(12,392)	(25,652)	(132,361)
<b>Income(Loss) Before Taxes&amp;Extraordinary Items</b>	<b>3,779</b>	<b>19,967</b>	<b>28,924</b>	<b>12,359</b>	<b>16,683</b>	<b>(18)</b>	<b>(2,246)</b>	<b>6,306</b>	<b>(2,137)</b>	<b>(4,465)</b>	<b>(3,544)</b>	<b>(7,039)</b>	<b>68,569</b>
Provision (Credit) for Income Taxes	1,743	8,127	4,467	5,621	3,374	411	259	2,855	7,893	87	434	634	35,905
<b>Income (Loss) Before Extraordinary Items</b>	<b>2,036</b>	<b>11,840</b>	<b>24,457</b>	<b>6,738</b>	<b>13,309</b>	<b>(429)</b>	<b>(2,505)</b>	<b>3,451</b>	<b>(10,030)</b>	<b>(4,552)</b>	<b>(3,978)</b>	<b>(7,673)</b>	<b>32,664</b>
Extraordinary Items (Net of Income Taxes)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>NET INCOME (LOSS)</b>	<b>\$ 2,036</b>	<b>\$ 11,840</b>	<b>\$ 24,457</b>	<b>\$ 6,738</b>	<b>\$ 13,309</b>	<b>\$ (429)</b>	<b>\$ (2,505)</b>	<b>\$ 3,451</b>	<b>\$ (10,030)</b>	<b>\$ (4,552)</b>	<b>\$ (3,978)</b>	<b>\$ (7,673)</b>	<b>\$ 32,664</b>

Certain totals may not foot due to rounding by the casino.

**ATLANTIC CITY CASINO INDUSTRY  
STATEMENTS OF INCOME  
FOR THE QUARTER ENDED JUNE 30, 2003  
(\$ in Thousands)**

	AC Hilton	Bally's AC	Borgata	Caesars	Harrah's	Resorts	Sands	Showboat	Tropicana	Trump Marina	Trump Plaza	Trump Taj Mahal	Industry
<b>REVENUE:</b>													
Casino	\$ 80,418	\$ 178,439	\$ -	\$ 135,783	\$ 115,516	\$ 63,012	\$ 49,647	\$ 98,079	\$ 99,326	\$ 69,956	\$ 84,432	\$ 134,133	\$ 1,108,741
Rooms	6,448	12,502	-	9,389	9,780	2,635	2,956	5,472	12,350	4,755	6,344	8,505	81,136
Food and Beverage	10,340	25,339	-	18,292	13,234	5,800	5,511	13,768	13,164	8,308	9,210	14,335	137,301
Other	3,101	4,025	-	5,530	1,670	1,694	1,080	1,719	3,577	2,870	1,979	3,958	31,203
Total Revenue	100,307	220,305	-	168,994	140,200	73,141	59,194	119,038	128,417	85,889	101,965	160,931	1,358,381
Less: Promotional Allowances	21,976	42,863	-	34,917	28,048	14,913	13,164	26,665	22,190	17,679	23,208	32,988	278,611
<b>NET REVENUE</b>	<b>78,331</b>	<b>177,442</b>	<b>-</b>	<b>134,077</b>	<b>112,152</b>	<b>58,228</b>	<b>46,030</b>	<b>92,373</b>	<b>106,227</b>	<b>68,210</b>	<b>78,757</b>	<b>127,943</b>	<b>1,079,770</b>
<b>COSTS AND EXPENSES:</b>													
Cost of Goods and Services	47,835	101,408	-	68,580	54,266	37,797	30,655	50,904	59,221	39,408	43,517	72,476	606,067
Selling, General, and Administrative	10,358	20,148	-	15,760	8,674	9,753	8,595	8,706	14,377	11,399	14,273	18,698	140,741
Provision for Doubtful Accounts	208	490	-	816	-	53	357	(21)	368	382	450	863	3,966
Total Costs & Expenses	58,401	122,046	-	85,156	62,940	47,603	39,607	59,589	73,966	51,189	58,240	92,037	750,774
<b>GROSS OPERATING PROFIT</b>	<b>19,930</b>	<b>55,396</b>	<b>-</b>	<b>48,921</b>	<b>49,212</b>	<b>10,625</b>	<b>6,423</b>	<b>32,784</b>	<b>32,261</b>	<b>17,021</b>	<b>20,517</b>	<b>35,906</b>	<b>328,996</b>
Depreciation and Amortization	4,600	10,370	-	10,112	7,744	3,065	3,657	6,414	7,375	5,248	4,633	10,993	74,211
Charges from Affiliates Other than Interest:													
Management Fees	2,633	5,888	-	4,378	-	-	-	-	7,500	-	-	-	20,399
Other	-	-	-	1,587	2,968	-	-	4,264	-	1,092	1,692	2,012	13,615
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>12,697</b>	<b>39,138</b>	<b>-</b>	<b>32,844</b>	<b>38,500</b>	<b>7,560</b>	<b>2,766</b>	<b>22,106</b>	<b>17,386</b>	<b>10,681</b>	<b>14,192</b>	<b>22,901</b>	<b>220,771</b>
<b>OTHER INCOME (EXPENSES):</b>													
Interest (Expense) - Affiliates	(4,537)	(12,259)	-	(10,991)	(13,000)	(4,628)	(2,905)	(14,450)	(13,742)	(10,515)	(13,341)	(24,167)	(124,535)
Interest (Expense) - External	-	(59)	-	(118)	-	(76)	(58)	-	1,849	(397)	(867)	(376)	(102)
Invest. Alt. Tax & Related Income (Exp.)-Net	(543)	(1,220)	-	(609)	(636)	(258)	(289)	(309)	(81)	(1,095)	(640)	(1,471)	(7,151)
Nonoperating Income (Expense) - Net	90	4,752	-	276	89	432	91	250	(1,124)	21	96	34	5,007
Total Other Income (Expenses)	(4,990)	(8,786)	-	(11,442)	(13,547)	(4,530)	(3,161)	(14,509)	(13,098)	(11,986)	(14,752)	(25,980)	(126,781)
<b>Income(Loss) Before Taxes&amp;Extraordinary Items</b>	<b>7,707</b>	<b>30,352</b>	<b>-</b>	<b>21,402</b>	<b>24,953</b>	<b>3,030</b>	<b>(395)</b>	<b>7,597</b>	<b>4,288</b>	<b>(1,305)</b>	<b>(560)</b>	<b>(3,079)</b>	<b>93,990</b>
Provision (Credit) for Income Taxes	3,139	10,627	-	8,743	1,803	1,389	184	1,287	4,882	300	367	583	33,304
Income (Loss) Before Extraordinary Items	4,568	19,725	-	12,659	23,150	1,641	(579)	6,310	(594)	(1,605)	(927)	(3,662)	60,686
Extraordinary Items (Net of Income Taxes)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>NET INCOME (LOSS)</b>	<b>\$ 4,568</b>	<b>\$ 19,725</b>	<b>-</b>	<b>\$ 12,659</b>	<b>\$ 23,150</b>	<b>\$ 1,641</b>	<b>\$ (579)</b>	<b>\$ 6,310</b>	<b>\$ (594)</b>	<b>\$ (1,605)</b>	<b>\$ (927)</b>	<b>\$ (3,662)</b>	<b>\$ 60,686</b>

Certain totals may not foot due to rounding by the casino.

**ATLANTIC CITY CASINO INDUSTRY  
STATEMENTS OF INCOME  
FOR THE SIX MONTHS ENDED JUNE 30, 2004  
(\$ in Thousands)**

	AC Hilton	Bally's AC	Borgata	Caesars	Harrah's	Resorts	Sands	Showboat	Tropicana	Trump Marina	Trump Plaza	Trump Taj Mahal	Industry
<b>REVENUE:</b>													
Casino	\$ 143,442	\$ 321,694	\$ 290,169	\$ 244,003	\$ 217,691	\$ 117,704	\$ 94,561	\$ 186,032	\$ 175,970	\$ 127,229	\$ 152,476	\$ 242,685	\$ 2,313,656
Rooms	11,062	24,143	56,692	17,516	23,164	6,847	5,062	17,566	22,154	8,769	11,580	15,585	220,140
Food and Beverage	19,066	44,557	39,366	30,598	25,386	10,956	10,785	22,701	23,565	15,117	18,432	26,767	287,296
Other	6,328	10,355	10,933	10,165	3,143	4,642	1,952	1,896	6,712	5,319	4,549	9,070	75,064
Total Revenue	179,898	400,749	397,160	302,282	269,384	140,149	112,360	228,195	228,401	156,434	187,037	294,107	2,896,156
Less: Promotional Allowances	40,893	83,140	86,330	61,078	65,870	31,816	25,574	58,551	42,686	35,933	48,079	60,977	640,927
<b>NET REVENUE</b>	<b>139,005</b>	<b>317,609</b>	<b>310,830</b>	<b>241,204</b>	<b>203,514</b>	<b>108,333</b>	<b>86,786</b>	<b>169,644</b>	<b>185,715</b>	<b>120,501</b>	<b>138,958</b>	<b>233,130</b>	<b>2,255,229</b>
<b>COSTS AND EXPENSES:</b>													
Cost of Goods and Services	91,304	196,819	175,158	130,403	103,965	74,605	58,491	95,628	113,994	74,155	82,664	137,856	1,335,042
Selling, General, and Administrative	21,817	36,035	37,724	34,074	18,761	21,706	17,287	12,214	28,159	21,218	28,235	34,911	312,141
Provision for Doubtful Accounts	(128)	454	1,859	1,444	65	(61)	347	37	369	664	500	1,317	6,867
Total Costs & Expenses	112,993	233,308	214,741	165,921	122,791	96,250	76,125	107,879	142,522	96,037	111,399	174,084	1,654,050
<b>GROSS OPERATING PROFIT</b>	<b>26,012</b>	<b>84,301</b>	<b>96,089</b>	<b>75,283</b>	<b>80,723</b>	<b>12,083</b>	<b>10,661</b>	<b>61,765</b>	<b>43,193</b>	<b>24,464</b>	<b>27,559</b>	<b>59,046</b>	<b>601,179</b>
Depreciation and Amortization	8,697	22,669	28,071	17,498	16,552	7,217	7,503	16,028	15,249	11,041	10,958	24,555	186,038
Charges from Affiliates Other than Interest:													
Management Fees	4,689	10,661	-	7,922	-	-	-	-	17,100	-	-	-	40,372
Other	-	-	-	3,256	5,898	-	-	8,632	-	1,859	2,907	3,279	25,831
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>12,626</b>	<b>50,971</b>	<b>68,018</b>	<b>46,607</b>	<b>58,273</b>	<b>4,866</b>	<b>3,158</b>	<b>37,105</b>	<b>10,844</b>	<b>11,564</b>	<b>13,694</b>	<b>31,212</b>	<b>348,938</b>
<b>OTHER INCOME (EXPENSES):</b>													
Interest (Expense) - Affiliates	(8,975)	(24,818)	-	(21,759)	(26,000)	(6,536)	(5,951)	(28,891)	(26,820)	(21,792)	(26,823)	(48,591)	(246,956)
Interest (Expense) - External	-	(119)	(19,743)	(238)	-	(192)	(106)	-	6,256	(726)	(1,426)	(1,148)	(17,442)
Invest. Alt. Tax & Related Income (Exp.)-Net	(764)	1,680	(3,707)	(1,370)	(1,676)	(1,079)	(587)	(1,148)	(455)	(535)	(708)	(1,026)	(11,375)
Nonoperating Income (Expense) - Net	196	2,169	187	207	132	1,041	(1,649)	69	3,767	70	2,319	7	8,515
Total Other Income (Expenses)	(9,543)	(21,088)	(23,263)	(23,160)	(27,544)	(6,766)	(8,293)	(29,970)	(17,252)	(22,983)	(26,638)	(50,758)	(267,258)
<b>Income(Loss) Before Taxes&amp;Extraordinary Items</b>	<b>3,083</b>	<b>29,883</b>	<b>44,755</b>	<b>23,447</b>	<b>30,729</b>	<b>(1,900)</b>	<b>(5,135)</b>	<b>7,135</b>	<b>(6,408)</b>	<b>(11,419)</b>	<b>(12,944)</b>	<b>(19,546)</b>	<b>81,680</b>
Provision (Credit) for Income Taxes	1,658	13,229	6,932	10,723	6,698	168	513	3,768	1,198	175	838	1,233	47,133
Income (Loss) Before Extraordinary Items	1,425	16,654	37,823	12,724	24,031	(2,068)	(5,648)	3,367	(7,606)	(11,594)	(13,782)	(20,779)	34,547
Extraordinary Items (Net of Income Taxes)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>NET INCOME (LOSS)</b>	<b>\$ 1,425</b>	<b>\$ 16,654</b>	<b>\$ 37,823</b>	<b>\$ 12,724</b>	<b>\$ 24,031</b>	<b>\$ (2,068)</b>	<b>\$ (5,648)</b>	<b>\$ 3,367</b>	<b>\$ (7,606)</b>	<b>\$ (11,594)</b>	<b>\$ (13,782)</b>	<b>\$ (20,779)</b>	<b>\$ 34,547</b>

Certain totals may not foot due to rounding by the casino.

**ATLANTIC CITY CASINO INDUSTRY  
STATEMENTS OF INCOME  
FOR THE SIX MONTHS ENDED JUNE 30, 2003  
(\$ in Thousands)**

	AC Hilton	Bally's AC	Borgata	Caesars	Harrah's	Resorts	Sands	Showboat	Tropicana	Trump Marina	Trump Plaza	Trump Taj Mahal	Industry
<b>REVENUE:</b>													
Casino	\$ 152,726	\$ 336,054	\$ -	\$ 255,782	\$ 219,956	\$ 119,032	\$ 93,286	\$ 180,102	\$ 193,179	\$ 132,176	\$ 159,863	\$ 257,365	\$ 2,099,521
Rooms	11,629	22,782	-	17,822	18,982	5,192	5,415	9,349	22,868	8,867	11,764	16,158	150,828
Food and Beverage	19,929	47,300	-	34,564	25,602	10,673	10,175	25,047	26,189	15,268	17,419	27,164	259,330
Other	5,356	7,654	-	10,765	3,339	3,056	1,963	3,050	6,680	4,448	3,963	7,553	57,827
Total Revenue	189,640	413,790	-	318,933	267,879	137,953	110,839	217,548	248,916	160,759	193,009	308,240	2,567,506
Less: Promotional Allowances	42,208	79,929	-	67,023	54,147	27,810	25,008	49,677	44,334	34,026	44,286	61,762	530,210
<b>NET REVENUE</b>	<b>147,432</b>	<b>333,861</b>	<b>-</b>	<b>251,910</b>	<b>213,732</b>	<b>110,143</b>	<b>85,831</b>	<b>167,871</b>	<b>204,582</b>	<b>126,733</b>	<b>148,723</b>	<b>246,478</b>	<b>2,037,296</b>
<b>COSTS AND EXPENSES:</b>													
Cost of Goods and Services	93,084	200,695	-	134,969	106,084	74,312	60,217	97,917	116,203	76,593	85,544	142,448	1,188,066
Selling, General, and Administrative	20,871	39,385	-	29,072	17,029	19,680	16,170	15,870	28,340	23,128	27,870	37,153	274,568
Provision for Doubtful Accounts	544	912	-	1,180	-	356	688	80	737	764	655	2,126	8,042
Total Costs & Expenses	114,499	240,992	-	165,221	123,113	94,348	77,075	113,867	145,280	100,485	114,069	181,727	1,470,676
<b>GROSS OPERATING PROFIT</b>	<b>32,933</b>	<b>92,869</b>	<b>-</b>	<b>86,689</b>	<b>90,619</b>	<b>15,795</b>	<b>8,756</b>	<b>54,004</b>	<b>59,302</b>	<b>26,248</b>	<b>34,654</b>	<b>64,751</b>	<b>566,620</b>
Depreciation and Amortization	9,415	20,614	-	19,808	15,385	6,016	7,103	12,898	14,370	10,643	9,721	21,352	147,325
Charges from Affiliates Other than Interest:													
Management Fees	4,992	11,062	-	8,284	-	-	-	-	17,650	-	-	-	41,988
Other	-	-	-	3,173	5,796	-	-	8,353	-	2,089	3,134	3,670	26,215
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>18,526</b>	<b>61,193</b>	<b>-</b>	<b>55,424</b>	<b>69,438</b>	<b>9,779</b>	<b>1,653</b>	<b>32,753</b>	<b>27,282</b>	<b>13,516</b>	<b>21,799</b>	<b>39,729</b>	<b>351,092</b>
<b>OTHER INCOME (EXPENSES):</b>													
Interest (Expense) - Affiliates	(9,000)	(24,469)	-	(21,738)	(26,000)	(9,436)	(5,839)	(28,901)	(27,331)	(30,114)	(26,667)	(48,351)	(257,846)
Interest (Expense) - External	-	(132)	-	(238)	-	(155)	(119)	-	3,333	(832)	(1,630)	(745)	(518)
Invest. Alt. Tax & Related Income (Exp.)-Net	(1,054)	(2,460)	-	(1,382)	(1,464)	(416)	(575)	(708)	(87)	(1,353)	(961)	(2,321)	(12,781)
Nonoperating Income (Expense) - Net	169	5,578	-	433	169	630	180	529	(2,136)	105	175	87	5,919
Total Other Income (Expenses)	(9,885)	(21,483)	-	(22,925)	(27,295)	(9,377)	(6,353)	(29,080)	(26,221)	(32,194)	(29,083)	(51,330)	(265,226)
<b>Income(Loss) Before Taxes&amp;Extraordinary Items</b>	<b>8,641</b>	<b>39,710</b>	<b>-</b>	<b>32,499</b>	<b>42,143</b>	<b>402</b>	<b>(4,700)</b>	<b>3,673</b>	<b>1,061</b>	<b>(18,678)</b>	<b>(7,284)</b>	<b>(11,601)</b>	<b>85,866</b>
Provision (Credit) for Income Taxes	3,530	14,326	-	13,276	3,878	843	343	4,254	1,430	600	692	1,117	44,289
Income (Loss) Before Extraordinary Items	5,111	25,384	-	19,223	38,265	(441)	(5,043)	(581)	(369)	(19,278)	(7,976)	(12,718)	41,577
Extraordinary Items (Net of Income Taxes)	-	-	-	-	-	-	-	-	-	9,751	-	-	9,751
<b>NET INCOME (LOSS)</b>	<b>\$ 5,111</b>	<b>\$ 25,384</b>	<b>\$ -</b>	<b>\$ 19,223</b>	<b>\$ 38,265</b>	<b>\$ (441)</b>	<b>\$ (5,043)</b>	<b>\$ (581)</b>	<b>\$ (369)</b>	<b>\$ (9,527)</b>	<b>\$ (7,976)</b>	<b>\$ (12,718)</b>	<b>\$ 51,328</b>

Certain totals may not foot due to rounding by the casino.



**ATLANTIC CITY CASINO INDUSTRY  
HOTEL STATISTICS  
FOR THE THREE MONTHS ENDED JUNE 30, 2004**

CASINO	NUMBER OF GUEST ROOMS IN PROPERTY*	NUMBER OF AVAILABLE ROOM NIGHTS	NUMBER OF OCCUPIED ROOM NIGHTS	OCCUPANCY RATE	AVERAGE RATE PER OCCUPIED ROOM
AC Hilton	804	69,447	66,980	96.4%	\$89.50
Bally's AC	1,745	153,212	147,944	96.6%	89.08
Borgata	2,002	180,044	167,801	93.2%	120.67
Caesars	1,140	102,097	100,035	98.0%	91.23
Harrah's	1,626	144,279	134,169	93.0%	88.11
Resorts	879	47,303	43,797	92.6%	86.19
Sands	620	52,565	48,412	92.1%	57.36
Showboat	1,309	119,119	110,162	92.5%	90.22
Tropicana	1,625	147,875	131,600	89.0%	93.34
Trump Marina	728	66,248	58,756	88.7%	80.40
Trump Plaza	904	82,264	79,769	97.0%	78.93
Trump Taj Mahal	1,250	113,750	108,597	95.5%	77.03
<b>INDUSTRY TOTAL</b>	<b>14,632</b>	<b>1,278,203</b>	<b>1,198,022</b>		
<b>INDUSTRY AVERAGE</b>				<b>93.7%</b>	<b>\$90.59</b>

\* Number of guest rooms at end of quarter

**ATLANTIC CITY CASINO INDUSTRY  
HOTEL STATISTICS  
FOR THE SIX MONTHS ENDED JUNE 30, 2004**

CASINO	NUMBER OF GUEST ROOMS IN PROPERTY*	NUMBER OF AVAILABLE ROOM NIGHTS	NUMBER OF OCCUPIED ROOM NIGHTS	OCCUPANCY RATE	AVERAGE RATE PER OCCUPIED ROOM
AC Hilton	804	141,686	131,927	93.1%	\$83.69
Bally's AC	1,745	302,659	289,646	95.7%	83.09
Borgata	2,002	356,108	314,443	88.3%	122.73
Caesars	1,140	203,461	197,309	97.0%	88.58
Harrah's	1,626	285,042	259,529	91.0%	87.58
Resorts	879	89,175	80,698	90.5%	84.85
Sands	620	102,507	90,565	88.4%	55.94
Showboat	1,309	238,238	210,976	88.6%	83.26
Tropicana	1,625	295,750	259,365	87.7%	85.41
Trump Marina	728	132,496	109,832	82.9%	79.84
Trump Plaza	904	164,528	150,826	91.7%	76.78
Trump Taj Mahal	1,250	227,500	210,787	92.7%	73.94
<b>INDUSTRY TOTAL</b>	<b>14,632</b>	<b>2,539,150</b>	<b>2,305,903</b>		
<b>INDUSTRY AVERAGE</b>				<b>90.8%</b>	<b>\$87.37</b>

\* Number of guest rooms at end of quarter

**ATLANTIC CITY CASINO INDUSTRY  
PROMOTIONAL ALLOWANCES AND EXPENSES  
FOR THE QUARTER AND YEAR-TO-DATE ENDED JUNE 30, 2004  
(\$ in Thousands)**

	QUARTER			YEAR-TO-DATE		
	Allowances	Expenses	Total	Allowances	Expenses	Total
AC Hilton	\$ 21,218	\$ 2,686	\$ 23,904	\$ 40,893	\$ 5,511	\$ 46,404
Bally's AC	42,528	4,997	47,525	83,140	9,614	92,754
Borgata	41,586	5,459	47,045	86,330	10,284	96,614
Caesars	30,824	6,048	36,872	61,078	10,821	71,899
Harrah's Marina	33,092	2,548	35,640	65,870	4,495	70,365
Resorts	17,503	920	18,423	31,816	1,800	33,616
Sands	14,319	1,908	16,227	25,573	3,069	28,642
Showboat	30,150	309	30,459	58,551	570	59,121
Tropicana	22,165	2,024	24,189	42,686	3,990	46,676
Trump Marina	18,972	1,034	20,006	35,933	1,980	37,913
Trump Plaza	25,592	919	26,511	48,079	1,691	49,770
Trump Taj Mahal	31,523	3,589	35,112	60,977	7,321	68,298
Industry	\$ 329,472	\$ 32,441	\$ 361,913	\$ 640,926	\$ 61,146	\$ 702,072
Incr (Decr) vs. Prior Period	18.3%	40.6%	20.0%	20.9%	37.2%	22.1%

**ATLANTIC CITY CASINO INDUSTRY  
PROMOTIONAL ALLOWANCES AND EXPENSES  
FOR THE QUARTER AND YEAR-TO-DATE ENDED JUNE 30, 2003  
(\$ in Thousands)**

	QUARTER			YEAR-TO-DATE		
	Allowances	Expenses	Total	Allowances	Expenses	Total
AC Hilton	\$ 21,976	\$ 1,917	\$ 23,893	\$ 42,208	\$ 4,339	\$ 46,547
Bally's AC	42,863	5,191	48,054	79,929	10,461	90,390
Borgata (opened 7/3/03)	N/A	N/A	N/A	N/A	N/A	N/A
Caesars	34,917	3,648	38,565	67,023	6,138	73,161
Harrah's Marina	28,048	1,770	29,818	54,147	2,957	57,104
Resorts	14,913	808	15,721	27,810	1,578	29,388
Sands	13,164	1,181	14,345	25,008	2,439	27,447
Showboat	26,665	637	27,302	49,677	1,230	50,907
Tropicana	22,190	1,915	24,105	44,334	3,818	48,152
Trump Marina	17,679	1,299	18,978	34,026	2,454	36,480
Trump Plaza	23,208	848	24,056	44,286	1,654	45,940
Trump Taj Mahal	32,988	3,860	36,848	61,762	7,494	69,256
Industry	\$ 278,611	\$ 23,074	\$ 301,685	\$ 530,210	\$ 44,562	\$ 574,772

## Amendments

Licensee	Form	Quarter
Borgata	CCC-235	December 31, 2003
Sands	CCC-235	March 31, 2004
Showboat	Footnote 5	March 31, 2004

# STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2003 AND 2002

(UNAUDITED)  
(\$ IN THOUSANDS)

Amended

5/18/04

LINE (a)	DESCRIPTION (b)	2003 (c)	2002 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$ (58,635)	\$ -
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities.....	-	-
3	Proceeds from the Sale of Short-Term Investment Securities.....	-	-
4	Cash Outflows for Property and Equipment.....	(13,826)	-
5	Proceeds from Disposition of Property and Equipment.....	-	-
6	Purchase of Casino Reinvestment Obligations.....	-	-
7	Purchase of Other Investments and Loans/Advances made.....	-	-
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....	-	-
9	Cash Outflows to Acquire Business Entities.....	-	-
10		-	-
11		-	-
12	Net Cash Provided (Used) By Investing Activities.....	(13,826)	-
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt.....	-	-
14	Payments to Settle Short-Term Debt.....	-	-
15	Cash Proceeds from Issuance of Long-Term Debt.....	205,000	-
16	Costs of Issuing Debt.....	-	-
17	Payments to Settle Long-Term Debt.....	(201,044)	-
18	Cash Proceeds from Issuing Stock or Capital Contributions.....	70,000	-
19	Purchases of Treasury Stock.....	-	-
20	Payments of Dividends or Capital Withdrawals.....	-	-
21		-	-
22		-	-
23	Net Cash Provided (Used) By Financing Activities.....	73,956	-
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	1,495	-
25	Cash and Cash Equivalents at Beginning of Period.....	23,506	-
26	Cash and Cash Equivalents at End of Period.....	\$ 25,001	\$ -
	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized).....	\$ 19,674	\$ -
28	Income Taxes.....	\$ 1,815	\$ -

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

**STATEMENTS OF CASH FLOWS**

FOR THE SIX MONTHS ENDED DECEMBER 31, 2003 AND 2002

Amended

5/18/04

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2003 (c)	2002 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss).....	\$ 12,906	\$ -
	Noncash Items Included in Income and Cash Items		
	Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	26,811	-
31	Amortization of Other Assets.....	1,283	-
32	Amortization of Debt Discount or Premium.....	-	-
33	Deferred Income Taxes - Current.....	-	-
34	Deferred Income Taxes - Noncurrent.....	-	-
35	(Gain) Loss on Disposition of Property and Equipment.....	-	-
36	(Gain) Loss on Casino Reinvestment Obligations.....	3,335	-
37	(Gain) Loss from Other Investment Activities.....	-	-
	Net (Increase) Decrease in Receivables and Patrons'		
38	Checks.....	(17,130)	-
39	Net (Increase) Decrease in Inventories.....	(1,522)	-
40	Net (Increase) Decrease in Other Current Assets.....	(2,560)	-
41	Net (Increase) Decrease in Other Assets.....	(8,103)	-
42	Net Increase (Decrease) in Accounts Payable.....	(100,268)	-
	Net Increase (Decrease) in Other Current Liabilities		
43	Excluding Debt.....	28,151	-
	Net Increase (Decrease) in Other Noncurrent Liabilities		
44	Excluding Debt.....	(839)	-
45	Net Loss (Gain) on Derivative Financial Instruments.....	(699)	-
46		-	-
47	Net Cash Provided (Used) By Operating Activities.....	\$ (58,635)	\$ -

## SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment.....	\$ (13,826)	\$ -
49	Less: Capital Lease Obligations Incurred.....	-	-
50	Cash Outflows for Property and Equipment.....	\$ (13,826)	\$ -
	ACQUISITION OF BUSINESS ENTITIES:		
51	Property and Equipment Acquired.....	\$ -	\$ -
52	Goodwill Acquired.....	-	-
	Net Assets Acquired Other than Cash, Goodwill, and		
53	Property and Equipment.....	-	-
54	Long-Term Debt Assumed.....	-	-
55	Issuance of Stock or Capital Invested.....	-	-
56	Cash Outflows to Acquire Business Entities.....	\$ -	\$ -
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	Total Issuances of Stock or Capital Contributions.....	\$ 70,000	\$ -
58	Less: Issuances to Settle Long-Term Debt.....	-	-
59	Consideration in Acquisition of Business Entities.....	-	-
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$ 70,000	\$ -

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO  
**STATEMENTS OF CASH FLOWS**  
 FOR THE THREE MONTHS ENDED MARCH 31, 2004 AND 2003

Amended

6/8/04

(UNAUDITED)

(\$ IN THOUSANDS)

AMENDED

LINE	DESCRIPTION	2004	2003
(a)	(b)	(c)	(d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$ (2,784)	\$ (1,621)
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities.....	-	-
3	Proceeds from the Sale of Short-Term Investment Securities.....	-	-
4	Cash Outflows for Property and Equipment.....	(2,118)	(1,904)
5	Proceeds from Disposition of Property and Equipment. ....	-	2
6	Purchase of Casino Reinvestment Obligations.....	(508)	(568)
7	Purchase of Other Investments and Loans/Advances made.....	-	-
	Proceeds from Disposal of Investments and Collection		
8	of Advances and Long-Term Receivables.....	(9)	
9	Cash Outflows to Acquire Business Entities (net of cash acquired).	-	-
10			
11			
12	Net Cash Provided (Used) By Investing Activities.....	(2,635)	(2,470)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt.....	5,500	2,000
14	Payments to Settle Short-Term Debt.....	(1,400)	-
15	Cash Proceeds from Issuance of Long-Term Debt.....	-	-
16	Costs of Issuing Debt.....	-	-
17	Payments to Settle Long-Term Debt.....	-	-
18	Cash Proceeds from Issuing Stock or Capital Contributions.....	-	-
19	Purchases of Treasury Stock.....	-	-
20	Payments of Dividends or Capital Withdrawals.....	-	-
21			
22			
23	Net Cash Provided (Used) By Financing Activities.....	4,100	2,000
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	(1,319)	(2,091)
25	Cash And Cash Equivalents At Beginning Of Period.....	16,903	18,834
26	Cash And Cash Equivalents At End Of Period.....	\$ 15,584	\$ 16,743

	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized).....	\$ 6,050	\$ 5,959
28	Income Taxes.....	\$ 88	\$ 31

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO  
**STATEMENTS OF CASH FLOWS**

Amended

6/8/04

FOR THE THREE MONTHS ENDED MARCH 31, 2004 AND 2003

(UNAUDITED)

(\$ IN THOUSANDS)

AMENDED

LINE (a)	DESCRIPTION (b)	2004 (c)	2003 (d)
	<b>NET CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
29	Net Income (Loss).....	\$ (3,143)	\$ (4,464)
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment....	3,514	3,256
31	Amortization of Other Assets.....	191	189
32	Amortization of Debt Discount or Premium.....	-	-
33	Deferred Income Taxes - Current.....	-	-
34	Deferred Income Taxes - Noncurrent.....	-	-
35	(Gain) Loss on Disposition of Property and Equipment.....	-	4
36	(Gain) Loss on Casino Reinvestment Obligations.....	368	286
37	(Gain) Loss from Other Investment Activities.....	-	-
	Net (Increase) Decrease in Receivables and Patrons'		
38	Checks.....	52	268
39	Net (Increase) Decrease in Inventories.....	117	20
40	Net (Increase) Decrease in Other Current Assets.....	705	1,262
41	Net (Increase) Decrease in Other Assets.....	-	-
42	Net Increase (Decrease) in Accounts Payable.....	(2,515)	(1,129)
	Net Increase (Decrease) in Other Current Liabilities		
43	Excluding Debt.....	(2,163)	(1,405)
	Net Increase (Decrease) in Other Noncurrent Liabilities		
44	Excluding Debt.....	90	92
45			
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ (2,784)	\$ (1,621)

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

	<b>ACQUISITION OF PROPERTY AND EQUIPMENT:</b>		
48	Additions to Property and Equipment.....	\$ 2,118	\$ 1,904
49	Less: Capital Lease Obligations Incurred.....	-	-
50	Cash Outflows For Property And Equipment.....	\$ 2,118	\$ 1,904
	<b>ACQUISITION OF BUSINESS ENTITIES:</b>		
51	Property and Equipment Acquired.....	\$	\$
52	Goodwill Acquired.....		
53	Net Assets Acquired Other than Cash, Goodwill, and Property and Equipment.....		
54	Long-Term Debt Assumed.....		
55	Issuance of Stock or Capital Invested.....		
56	Cash Outflows To Acquire Business Entities.....	\$ -	\$ -
	<b>STOCK ISSUED OR CAPITAL CONTRIBUTIONS:</b>		
57	Total Issuances of Stock or Capital Contributions.....	\$ -	\$ -
58	Less: Issuances to Settle Long-Term Debt.....	-	-
59	Consideration in Acquisition of Business Entities.....	-	-
60	Cash Proceeds From Issuing Stock Or Capital Contributions.....	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.



**ATLANTIC CITY SHOWBOAT, INC.**  
**Notes to Financial Statements**  
**(Dollars In Thousands)**

Amended

6/10/04

**RELATED PARTY TRANSACTIONS (Cont.)**

**Administrative and Other Services**

The Company is charged a fee by HOC for administrative and other services (including consulting, legal, marketing, information technology, accounting and insurance). The Company was charged approximately \$1680 and 1,479 respectively for these services for the three months ended March 31, 2004 and 2003. These fees are included in Charges from Affiliates Other than Interest in the statement of income.

**Rental Agreement**

The Company leases 10½ acres of Boardwalk property in Atlantic City, New Jersey for a term ending in 2082 from an affiliate. Annual rent payments, which are payable monthly are adjusted annually based upon changes in the Consumer Price Index. The Company is responsible for taxes, assessments, insurance and utilities. Rent expense under this lease for the three months ended March 31, 2004 and 2003 was \$2,604 and \$2,527, respectively.

**(4) PREPAID EXPENSES AND OTHER CURRENT ASSETS**

As of March 31, 2004 and 2003, Prepaid Expenses and Other Current Assets consisted of the following:

	<u>2004</u>	<u>2003</u>
Prepaid Slot License	\$501	\$441
Prepaid Insurance	22	44
Deposits	279	155
Prepaid Advertising	41	45
Other	<u>1,017</u>	<u>918</u>
	<u>\$1,860</u>	<u>\$1,603</u>

**(5) INVESTMENTS, ADVANCES AND RECEIVABLES**

As of March 31, 2004 and 2003, Investments, Advances and Receivables consisted of the following:

	<u>2004</u>	<u>2003</u>
CRDA Deposits (Note 12)	\$19,656	\$15,812
CRDA Bonds (Note 12)	<u>15,994</u>	<u>15,096</u>
	<u>35,650</u>	<u>30,908</u>
Less: Valuation Allowance on CRDA		
Investments	<u>(10,716)</u>	<u>(9,389)</u>
CRDA Investments, Net	24,934	21,519
Due From Affiliates	<u>1,365,710</u>	<u>1,268,721</u>
	<u>\$1,390,644</u>	<u>\$1,290,240</u>